

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1305

Introduced by Janssen, 15; Baker, 44; Bromm, 23; Connealy, 16;
Coordsen, 32; Jones, 43

Read first time January 19, 2000

Committee: Revenue

A BILL

1 FOR AN ACT relating to community colleges; to amend sections
2 13-502, 13-1612, 81-1113, 81-1118.02, 81-1201.21, 84-612,
3 85-121.03, 85-1416, 85-1418, 85-1501, 85-1503, 85-1511,
4 85-1515, 85-1517, 85-1521, and 85-1535, Reissue Revised
5 Statutes of Nebraska, section 77-3445, Revised Statutes
6 Supplement, 1998, and sections 13-518, 48-621, and
7 77-3442, Revised Statutes Supplement, 1999; to change and
8 eliminate provisions relating to levy authority and state
9 aid; to provide for state funding of community colleges;
10 to harmonize provisions; to provide an operative date; to
11 repeal the original sections; and to outright repeal
12 sections 85-1516 and 85-1536 to 85-1540, Reissue Revised
13 Statutes of Nebraska.
14 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-502, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 13-502. (1) The purpose of the Nebraska Budget Act is to
4 require governing bodies of this state to which the act applies to
5 follow prescribed budget practices and procedures and make
6 available to the public pertinent information pertaining to the
7 financial requirements and expectations of such governing bodies so
8 that intelligent and informed support, opposition, criticism,
9 suggestions, or observations can be made by those affected.

10 (2) The act shall not apply to governing bodies which
11 have a budget of less than five thousand dollars per year.

12 (3) The act shall not apply to proprietary functions of
13 municipalities for which a separate budget has been approved by the
14 city council or village board as provided in the Municipal
15 Proprietary Function Act.

16 (4) The Nebraska Budget Act shall apply to community
17 colleges only to the extent necessary to levy the tax authorized by
18 section 85-1517.

19 Sec. 2. Section 13-518, Revised Statutes Supplement,
20 1999, is amended to read:

21 13-518. For purposes of sections 13-518 to 13-522:

22 (1) Allowable growth means ~~(a) for governmental units~~
23 ~~other than community colleges,~~ the percentage increase in taxable
24 valuation in excess of the base limitation established under
25 section 77-3446, if any, due to improvements to real property as a
26 result of new construction, additions to existing buildings, any
27 improvements to real property which increase the value of such
28 property, and any increase in valuation due to annexation and any

1 personal property valuation over the prior year; and ~~(b) for~~
2 ~~community colleges, the percentage increase in excess of the base~~
3 ~~limitation, if any, in full-time equivalent students from the~~
4 ~~second year to the first year preceding the year for which the~~
5 ~~budget is being determined;~~

6 (2) Capital improvements means (a) acquisition of real
7 property or (b) acquisition, construction, or extension of any
8 improvements on real property;

9 (3) Governing body has the same meaning as in section
10 13-503;

11 (4) Governmental unit means every political subdivision
12 which has authority to levy a property tax or authority to request
13 levy authority under section 77-3443 except sanitary and
14 improvement districts which have been in existence for five years
15 or less and school districts;

16 (5) Qualified sinking fund means a fund or funds
17 maintained separately from the general fund to pay for acquisition
18 or replacement of tangible personal property with a useful life of
19 five years or more which is to be undertaken in the future but is
20 to be paid for in part or in total in advance using periodic
21 payments into the fund. The term includes sinking funds under
22 subdivision (13) of section 35-508 for firefighting and rescue
23 equipment or apparatus;

24 (6) Restricted funds means (a) property tax, excluding
25 any amounts refunded to taxpayers, (b) payments in lieu of property
26 taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e)
27 state aid, (f) transfers of surpluses from any user fee, permit
28 fee, or regulatory fee if the fee surplus is transferred to fund a

1 service or function not directly related to the fee and the costs
2 of the activity funded from the fee, (g) any funds excluded from
3 restricted funds for the prior year because they were budgeted for
4 capital improvements but which were not spent and are not expected
5 to be spent for capital improvements, and (h) any excess tax
6 collections returned to the county under section 77-1776; and

7 (7) State aid means:

8 (a) For all governmental units, state aid paid pursuant
9 to sections 60-305.15 and 77-3523;

10 (b) For municipalities, state aid to municipalities paid
11 pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3007,
12 77-27,136, and 77-27,139.04 and insurance premium tax paid to
13 municipalities;

14 (c) For counties, state aid to counties paid pursuant to
15 sections 39-2501 to 39-2520, 47-119.01, 60-3001 to 60-3007,
16 77-27,136, and 77-3618 and insurance premium tax paid to counties;

17 ~~(d) For community colleges, state aid to community~~
18 ~~colleges paid under sections 85-1536 to 85-1537.01;~~

19 ~~(e)~~ For natural resources districts, state aid to natural
20 resources districts paid pursuant to section 77-27,136; and

21 ~~(f)~~ (e) For educational service units, state aid
22 appropriated under section 79-1241.

23 Sec. 3. Section 13-1612, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 13-1612. Political subdivision shall include villages,
26 cities, counties, school districts, public power districts,
27 ~~community colleges~~, natural resources districts, and all other
28 units of local government.

1 Sec. 4. Section 48-621, Revised Statutes Supplement,
2 1999, is amended to read:

3 48-621. The administrative fund shall consist of the
4 Employment Security Administration Fund and the Employment Security
5 Special Contingent Fund. Each fund shall be maintained as a
6 separate and distinct account in all respects, as follows:

7 (1) There is hereby created in the state treasury a
8 special fund to be known as the Employment Security Administration
9 Fund. All money credited to this fund is hereby appropriated and
10 made available to the Commissioner of Labor. All money in this
11 fund shall be expended solely for the purposes and in the amounts
12 found necessary as defined by the specific federal programs, state
13 statutes, and contract obligations for the proper and efficient
14 administration of all programs of the Department of Labor. The
15 fund shall consist of all money appropriated by this state and all
16 money received from the United States of America or any agency
17 thereof, including the Department of Labor and the Railroad
18 Retirement Board, or from any other source for such purpose. Money
19 received from any agency of the United States or any other state as
20 compensation for services or facilities supplied to such agency,
21 any amounts received pursuant to any surety bond or insurance
22 policy for losses sustained by the Employment Security
23 Administration Fund or by reason of damage to equipment or supplies
24 purchased from money in such fund, and any proceeds realized from
25 the sale or disposition of any equipment or supplies which may no
26 longer be necessary for the proper administration of such law shall
27 also be credited to this fund. All money in this fund shall be
28 deposited, administered, and disbursed in the same manner and under

1 the same conditions and requirements as is provided by law for
2 other special funds in the state treasury. Any balances in this
3 fund, except balances of money therein appropriated from the
4 General Fund of this state, shall not lapse at any time but shall
5 be continuously available to the commissioner for expenditure
6 consistent with the Employment Security Law. Any money in the
7 Employment Security Administration Fund available for investment
8 shall be invested by the state investment officer pursuant to the
9 Nebraska Capital Expansion Act and the Nebraska State Funds
10 Investment Act; and

11 (2) There is hereby created in the state treasury a
12 special fund to be known as the Employment Security Special
13 Contingent Fund. Any money in the Employment Security Special
14 Contingent Fund available for investment shall be invested by the
15 state investment officer pursuant to the Nebraska Capital Expansion
16 Act and the Nebraska State Funds Investment Act. All money
17 collected under section 48-655 as interest on delinquent
18 contributions, less refunds, shall be credited to this fund from
19 the clearing account of the Unemployment Compensation Fund at the
20 end of each calendar quarter. Such money shall not be expended or
21 available for expenditure in any manner which would permit its
22 substitution for or a corresponding reduction in federal funds
23 which would in the absence of such money be available to finance
24 expenditures for the administration of the unemployment insurance
25 law, but nothing in this section shall prevent the money from being
26 used as a revolving fund to cover expenditures necessary and proper
27 under the law for which federal funds have been duly requested but
28 not yet received, subject to the charging of such expenditures

1 against such federal funds when received. The money in this fund
2 may be used by the Commissioner of Labor only as follows:

3 (a) To replace within a reasonable time any money
4 received by this state pursuant to section 302 of the federal
5 Social Security Act, as amended, and required to be paid under
6 section 48-622;

7 (b) To meet special extraordinary and contingent expenses
8 which are deemed essential for good administration but which are
9 not provided in grants from the Secretary of Labor of the United
10 States and, for this purpose, no expenditures shall be made from
11 this fund except on written authorization by the Governor at the
12 request of the Commissioner of Labor; and

13 ~~(c) To be transferred to the Nebraska Community College~~
14 ~~Aid Cash Fund; and~~

15 ~~(d) (c)~~ To be transferred to the Job Training Cash Fund.

16 (3)(a) Money credited to the account of this state in the
17 Unemployment Trust Fund by the United States Secretary of the
18 Treasury pursuant to section 903 of the Social Security Act may not
19 be requisitioned from this state's account or used except for the
20 payment of benefits and for the payment of expenses incurred for
21 the administration of the Employment Security Law and public
22 employment offices. Such money may be requisitioned pursuant to
23 section 48-619 for the payment of benefits. Such money may also be
24 requisitioned and used for the payment of expenses incurred for the
25 administration of the Employment Security Law and public employment
26 offices but only pursuant to a specific appropriation by the
27 Legislature and only if the expenses are incurred and the money is
28 requisitioned after the date of enactment of an appropriation law

1 which specifies the purposes for which such money is appropriated
2 and the amounts appropriated therefor. Such appropriation is
3 subject to the following conditions:

4 (i) The period within which such money may be obligated
5 is limited to a period ending not more than two years after the
6 effective date of the appropriation law; and

7 (ii) The amount which may be obligated is limited to an
8 amount which does not exceed the amount by which the aggregate of
9 the amounts transferred to the account of this state pursuant to
10 section 903 of the Social Security Act exceeds the aggregate of the
11 amounts used by this state pursuant to the Employment Security Law
12 and charged against the amounts transferred to the account of this
13 state.

14 (b) For purposes of subdivision (3)(a)(ii) of this
15 section, the amounts obligated under an appropriation for the
16 administrative purposes described in such subdivision shall be
17 charged against transferred amounts at the exact time the
18 obligation is entered into.

19 (c) The appropriation, obligation, and expenditure or
20 other disposition of money appropriated under this subsection shall
21 be accounted for in accordance with standards established by the
22 United States Secretary of Labor.

23 (d) Money appropriated as provided in this subsection for
24 the payment of expenses of administration shall be requisitioned as
25 needed for the payment of obligations incurred under such
26 appropriation and, upon requisition, shall be credited to the
27 Employment Security Administration Fund from which such payments
28 shall be made. Money so credited shall, until expended, remain a

1 part of the Employment Security Administration Fund and, if it will
2 not be immediately expended, shall be returned promptly to the
3 account of this state in the Unemployment Trust Fund.

4 (e) Notwithstanding subdivision (3)(a) of this section,
5 money credited with respect to federal fiscal years 1999, 2000, and
6 2001 shall be used solely for the administration of the
7 unemployment compensation program and are not subject to
8 appropriation by the Legislature.

9 Sec. 5. Section 77-3442, Revised Statutes Supplement,
10 1999, is amended to read:

11 77-3442. (1) Property tax levies for the support of
12 local governments for fiscal years beginning on or after July 1,
13 1998, shall be limited to the amounts set forth in this section
14 except as provided in section 77-3444.

15 (2)(a) Except as provided in subdivision (2)(b) of this
16 section, school districts and multiple-district school systems may
17 levy a maximum levy of (i) one dollar and ten cents per one hundred
18 dollars of taxable valuation of property subject to the levy until
19 fiscal year 2001-02 and (ii) one dollar per one hundred dollars of
20 taxable valuation of property subject to the levy for fiscal year
21 2001-02 and all subsequent fiscal years. Excluded from this
22 limitation are amounts levied to pay for sums agreed to be paid by
23 a school district to certificated employees in exchange for a
24 voluntary termination of employment and amounts levied to pay for
25 special building funds and sinking funds established for projects
26 commenced prior to April 1, 1996, for construction, expansion, or
27 alteration of school district buildings. For purposes of this
28 subsection, commenced means any action taken by the school board on

1 the record which commits the board to expend district funds in
2 planning, constructing, or carrying out the project.

3 (b) Federal aid school districts may exceed the maximum
4 levy prescribed by subdivision (2)(a) of this section only to the
5 extent necessary to qualify to receive federal aid pursuant to
6 Title VIII of Public Law 103-382. For purposes of this
7 subdivision, federal aid school district means any school district
8 which receives ten percent or more of the revenue for its general
9 fund budget from federal government sources pursuant to Title VIII
10 of Public Law 103-382.

11 (3) Community colleges may levy a maximum levy on each
12 one hundred dollars of taxable property subject to the levy of one
13 cent. ~~(a) eight cents for fiscal year 1998-99 and fiscal year~~
14 ~~1999-2000 and (b) seven cents for fiscal year 2000-01 and each~~
15 ~~fiscal year thereafter.~~

16 (4) Natural resources districts may levy a maximum levy
17 of four and one-half cents per one hundred dollars of taxable
18 valuation of property subject to the levy.

19 (5) Educational service units may levy a maximum levy of
20 one and one-half cents per one hundred dollars of taxable valuation
21 of property subject to the levy.

22 (6) Incorporated cities and villages may levy a maximum
23 levy of forty-five cents per one hundred dollars of taxable
24 valuation of property subject to the levy plus an additional five
25 cents per one hundred dollars of taxable valuation to provide
26 financing for the municipality's share of revenue required under an
27 agreement or agreements executed pursuant to the Interlocal
28 Cooperation Act or the Joint Public Agency Act. The maximum levy

1 shall include amounts levied to pay for sums to support a library
2 pursuant to section 51-201, museum pursuant to section 51-501,
3 visiting community nurse, home health nurse, or home health agency
4 pursuant to section 71-1637, or statue, memorial, or monument
5 pursuant to section 80-202.

6 (7) Sanitary and improvement districts which have been in
7 existence for more than five years may levy a maximum levy of forty
8 cents per one hundred dollars of taxable valuation of property
9 subject to the levy, and sanitary and improvement districts which
10 have been in existence for five years or less shall not have a
11 maximum levy.

12 (8) Counties may levy or authorize a maximum levy of
13 fifty cents per one hundred dollars of taxable valuation of
14 property subject to the levy, except that five cents per one
15 hundred dollars of taxable valuation of property subject to the
16 levy may only be levied to provide financing for the county's share
17 of revenue required under an agreement or agreements executed
18 pursuant to the Interlocal Cooperation Act or the Joint Public
19 Agency Act. The maximum levy shall include amounts levied to pay
20 for sums to support a library pursuant to section 51-201 or museum
21 pursuant to section 51-501. The county may allocate up to fifteen
22 cents of its authority to other political subdivisions subject to
23 allocation of property tax authority under subsection (1) of
24 section 77-3443 and not specifically covered in this section to
25 levy taxes as authorized by law which do not collectively exceed
26 fifteen cents per one hundred dollars of taxable valuation on any
27 parcel or item of taxable property. The county may allocate to one
28 or more other political subdivisions subject to allocation of

1 property tax authority by the county under subsection (1) of
2 section 77-3443 some or all of the county's five cents per one
3 hundred dollars of valuation authorized for support of an agreement
4 or agreements to be levied by the political subdivision for the
5 purpose of supporting that political subdivision's share of revenue
6 required under an agreement or agreements executed pursuant to the
7 Interlocal Cooperation Act or the Joint Public Agency Act. If an
8 allocation by a county would cause another county to exceed its
9 levy authority under this section, the second county may exceed the
10 levy authority in order to levy the amount allocated.

11 (9) Property tax levies for judgments obtained against a
12 political subdivision which require or obligate a political
13 subdivision to pay such judgment, to the extent such judgment is
14 not paid by liability insurance coverage of a political
15 subdivision, for preexisting lease-purchase contracts approved
16 prior to July 1, 1998, for bonded indebtedness approved according
17 to law and secured by a levy on property, and for payments by a
18 public airport to retire interest-free loans from the Department of
19 Aeronautics in lieu of bonded indebtedness at a lower cost to the
20 public airport are not included in the levy limits established by
21 this section.

22 (10) The limitations on tax levies provided in this
23 section are to include all other general or special levies provided
24 by law. Notwithstanding other provisions of law, the only
25 exceptions to the limits in this section are those provided by or
26 authorized by sections 77-3442 to 77-3444.

27 (11) Tax levies in excess of the limitations in this
28 section shall be considered unauthorized levies under section

1 77-1606 unless approved under section 77-3444.

2 (12) For purposes of sections 77-3442 to 77-3444,
3 political subdivision means a political subdivision of this state
4 and a county agricultural society.

5 Sec. 6. Section 77-3445, Revised Statutes Supplement,
6 1998, is amended to read:

7 77-3445. A council on public improvements and services
8 may be created within each county or for adjoining counties by
9 resolutions of county boards or by joint resolutions passed by at
10 least three different types of political subdivisions located in
11 the county which are authorized to levy property taxes or which may
12 benefit from property taxes affected by the levy limits imposed by
13 sections 77-3442 to 77-3444. Such councils shall include, but are
14 not limited to, one elected official from each school board, county
15 board, incorporated city or village, natural resources district,
16 ~~community college~~, educational service unit, hospital district,
17 airport authority, fire protection district, and township taxing
18 property within the county or counties. The elected governing body
19 of each political subdivision which has the legal authority to
20 request property tax funding or a levy set by the county board
21 within a county may by resolution of the governing body appoint one
22 elected official from the governing board to the council on public
23 improvements and services.

24 Councils on public improvements and services may meet,
25 beginning in 1996, as often as necessary prior to the adoption of
26 budgets and property tax requests affected by the levy limits
27 described in sections 77-3442 to 77-3444. The council shall
28 jointly examine the budgets and property tax requests of each

1 governmental agency or quasi-governmental agency with statutory
2 authority to request a share of the property tax. The county clerk
3 or designated county official of each county shall attend such
4 meetings and keep a public record of the proceedings. Each council
5 on public improvements and services which is created by resolution
6 as provided in this section shall hold at least one public meeting
7 prior to the adoption of public budgets affected by the levy limits
8 imposed by sections 77-3442 to 77-3444. Such council may continue
9 to meet to discuss issues of public service provision in an
10 effective and coordinated manner, the impacts of levy limits, state
11 and federal law, program, or aid changes, and the joint provision
12 or use of capital facilities and equipment.

13 Sec. 7. Section 81-1113, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 81-1113. The budget division shall prepare the executive
16 budget in accordance with the wishes and policies of the Governor.
17 The budget division shall have the following duties, powers, and
18 responsibilities:

19 (1) Shall prescribe the forms and procedures to be
20 employed by all departments and agencies of the state and by each
21 community college area in compiling and submitting their individual
22 budget requests and shall set up a budget calendar which shall
23 provide for (a) the date, not later than July 15 of each
24 even-numbered year, for distribution of instructions, (b) the date
25 by which time requests for appropriations by each department,
26 agency, or area shall be submitted, and (c) the period during which
27 such public hearings as the Governor may elect shall be held for
28 each department, ~~and~~ agency, and area. The budget request shall be

1 submitted no later than on or before September 15 of each
2 even-numbered year, shall include the intended receipts and
3 expenditures by programs, subprograms, and activities and such
4 additional information as the administrator may deem appropriate
5 for each fiscal year, shall be made upon a biennial basis, and
6 shall include actual receipts and actual expenditures for each
7 fiscal year of the most recently completed biennium and the first
8 year of the current biennium and estimates for the second year of
9 the current biennium and each year of the next ensuing biennium;

10 (2) Shall work with each governmental department and
11 agency and community college area in developing performance
12 standards for each program, subprogram, and activity to measure and
13 evaluate present as well as projected levels of expenditures;

14 (3) Shall, following passage of legislative
15 appropriations, be responsible for the administration of the
16 approved budget through budgetary allotments;

17 (4) Shall be responsible for a monthly budgetary report
18 for each department and agency and community college area showing
19 comparisons between actual expenditures and allotments, which
20 report shall be subject to review by the director and budget
21 administrator;

22 (5) ~~Shall~~ Except in the case of community college areas,
23 shall be responsible for the authorization of employee positions.
24 Such authorizations shall be based on the following:

25 (a) A requirement that a sufficient budget program
26 appropriation and salary limitation exist to fully fund all
27 authorized positions;

28 (b) A requirement that permanent full-time positions

1 which have been vacant for ninety days or more be reviewed and
2 reauthorized prior to being filled. If requested by the budget
3 division, the personnel division of the Department of
4 Administrative Services shall review such vacant position to
5 determine the proper classification for the position;

6 (c) A requirement that authorized positions accurately
7 reflect legislative intent contained in legislative appropriation
8 and intent bills; and

9 (d) Other relevant criteria as determined by the budget
10 administrator; and

11 (6) Shall, beginning on July 1, 2000, administer any
12 grant approved by the Nebraska Commission on Local Government
13 Innovation and Restructuring which extends beyond June 30, 2000.

14 Sec. 8. Section 81-1118.02, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 81-1118.02. (1) Each executive, department, commission,
17 or other state agency, including the Supreme Court, the Board of
18 Regents of the University of Nebraska, ~~the State Board of Community~~
19 ~~Colleges,~~ and the Board of Trustees of the Nebraska State Colleges,
20 and each Board of Governors of a community college area shall
21 annually make or cause to be made an inventory of all property,
22 including furniture and equipment, belonging to the State of
23 Nebraska and in the possession, custody, or control of any
24 executive, department, commission, or other state agency. The
25 inventory shall include property in the possession, custody, or
26 control of each executive, department, commission, ~~or~~ other state
27 agency or each Board of Governors of a community college area as of
28 June 30 and shall be completed and filed with the materiel

1 administrator by August 31 of each year.

2 (2) If any of the property of the state, referred to in
3 subsection (1) of this section, is lost, destroyed, or unaccounted
4 for by the negligence or carelessness of the executive, department,
5 commission, ~~or~~ other state agency, or board of governors, the
6 administrator shall, with the advice of the Attorney General, take
7 the proper steps to recover such state property or the reasonable
8 value thereof from the executive, department, commission, ~~or~~ other
9 state agency, or board of governors charged with the same and from
10 the person bonding such executive, department, commission, ~~or~~ other
11 state agency, or board of governors, if any.

12 (3) Each such executive, department, commission, ~~or~~ other
13 state agency, or board of governors shall indelibly tag, mark, or
14 stamp all such property belonging to the State of Nebraska, with
15 the following: Property of the State of Nebraska. In the inventory
16 required by subsection (1) of this section, each such executive,
17 department, commission, ~~or~~ other state agency, or board of
18 governors shall state positively that each item of such property
19 has been so tagged, marked, or stamped.

20 Sec. 9. Section 81-1201.21, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 81-1201.21. There is hereby created the Job Training
23 Cash Fund. The fund shall be under the direction of the Department
24 of Economic Development. Money may be transferred to the fund
25 pursuant to subdivision ~~(2)(d)~~ (2)(c) of section 48-621. The
26 department shall use the fund to provide reimbursements for job
27 training activities, including employee assessment, preemployment
28 training, on-the-job training, training equipment costs, and other

1 reasonable costs related to helping industry and business locate or
2 expand in Nebraska, or to provide upgrade skills training of the
3 existing labor force necessary to adapt to new technology or the
4 introduction of new product lines. Any money in the fund available
5 for investment shall be invested by the state investment officer
6 pursuant to the Nebraska Capital Expansion Act and the Nebraska
7 State Funds Investment Act.

8 Sec. 10. Section 84-612, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 84-612. (1) There is hereby created within the state
11 treasury a fund known as the Cash Reserve Fund which shall be under
12 the direction of the State Treasurer. The fund shall only be used
13 pursuant to this section.

14 (2) The State Treasurer shall transfer funds from the
15 Cash Reserve Fund to the General Fund upon certification by the
16 Director of Administrative Services that the current cash balance
17 in the General Fund is inadequate to meet current obligations.
18 Such certification shall include the dollar amount to be
19 transferred.

20 (3) Any transfers made pursuant to subsections (2) and
21 (5) of this section shall be reversed upon notification by the
22 Director of Administrative Services that sufficient funds are
23 available.

24 (4) On or before August 1, 1994, the State Treasurer
25 shall transfer six million dollars from the Cash Reserve Fund to
26 the Job Training Cash Fund.

27 (5) The State Treasurer shall transfer funds from the
28 Cash Reserve Fund to the Roads Operations Cash Fund upon

1 certification by the Director of Administrative Services that the
2 current cash balance in the Roads Operations Cash Fund is
3 inadequate to meet current obligations as the result of delayed
4 receipt of federal funds. The certification shall include the
5 dollar amount to be transferred. The authority to transfer funds
6 pursuant to this subsection shall be in effect for the period July
7 1, 1998, through June 30, 1999.

8 (6) On or before September 1, 1998, the State Treasurer
9 shall transfer four million five hundred thousand dollars from the
10 Cash Reserve Fund to the General Fund.

11 (7) On or before September 1, 1998, the State Treasurer
12 shall transfer two million dollars from the Cash Reserve Fund to
13 the Reorganized School Assistance Fund.

14 (8) On June 15, 1999, the State Treasurer shall transfer
15 twelve million dollars from the Cash Reserve Fund to the General
16 Fund.

17 (9) On or before June 30, 1999, the State Treasurer shall
18 transfer eighty million dollars from the Cash Reserve Fund to the
19 General Fund.

20 (10) On June 15, 2001, the State Treasurer shall transfer
21 twenty-eight million dollars from the Cash Reserve Fund to the
22 General Fund.

23 (11) On August 16, 1999, the State Treasurer shall
24 transfer thirty million dollars from the Cash Reserve Fund to the
25 Relief to Property Taxpayers Cash Fund for the purposes of
26 increased aid to community colleges.

27 ~~(12)~~ On August 16, 2000, the State Treasurer shall
28 transfer thirty-five million dollars from the Cash Reserve Fund to

1 the Relief to Property Taxpayers Cash Fund.

2 ~~(13)~~ (12) On August 1, 2001, the State Treasurer shall
3 transfer thirty-five million dollars from the Cash Reserve Fund to
4 the General Fund for purposes of funding the Tax Equity and
5 Educational Opportunities Support Act.

6 Sec. 11. Section 85-121.03, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 85-121.03. (1) The Legislature shall appropriate from
9 the General Fund the money necessary to carry out the duties and
10 programs of the Nebraska College of Technical Agriculture at
11 Curtis. The appropriation shall be made to the Board of Regents of
12 the University of Nebraska for the sole purpose of maintaining the
13 duties, programs, and facilities of such college.

14 (2) If the Coordinating Commission for Postsecondary
15 Education changes the role and mission assignment of the college in
16 the comprehensive statewide plan pursuant to sections 85-121.05 and
17 85-1413, the appropriation made pursuant to subsection (1) of this
18 section shall be made to the Board of Governors of the Mid-Plains
19 Community College Area. ~~No property tax revenue collected pursuant~~
20 ~~to the levy authorized in section 85-1517, no state aid received~~
21 ~~pursuant to section 85-1536, and no tuition funds or fee funds~~
22 ~~received from students attending other community colleges shall be~~
23 ~~used to support the Nebraska College of Technical Agriculture at~~
24 ~~Curtis. Students enrolled at the college shall not be counted for~~
25 ~~purposes of determining reimbursable educational units as defined~~
26 ~~in section 85-1503.~~

27 Sec. 12. Section 85-1416, Reissue Revised Statutes of
28 Nebraska, is amended to read:

1 85-1416. (1) Pursuant to the authority granted in
2 Article VII, section 14, of the Constitution of Nebraska and the
3 Coordinating Commission for Postsecondary Education Act, the
4 commission shall, in accordance with the coordination function of
5 the commission pursuant to section 85-1403, review and modify, if
6 needed to promote compliance and consistency with the comprehensive
7 statewide plan and prevent unnecessary duplication, the budget
8 requests of the governing boards.

9 (2)(a) At least thirty days prior to submitting to the
10 Governor their biennial budget requests pursuant to section 81-1113
11 and any major deficit appropriation requests pursuant to
12 instructions of the Department of Administrative Services, the
13 Board of Regents of the University of Nebraska, ~~and~~ the Board of
14 Trustees of the Nebraska State Colleges, and the Board of Governors
15 of each community college area shall each submit to the commission
16 an outline of its proposed operating budget. The outline of its
17 proposed operating budget or outline of proposed state aid request
18 shall include those information summaries provided to the
19 institution's governing board describing the respective
20 institution's budget for the next fiscal year or biennium. The
21 outline shall contain projections of funds necessary for (i) the
22 retention of current programs and services at current funding
23 levels, (ii) any inflationary costs necessary to maintain current
24 programs and services at the current programmatic or service
25 levels, and (iii) proposed new and expanded programs and services.
26 In addition to the outline, the commission may request an
27 institution to provide to the commission any other supporting
28 information to assist the commission in its budget review process.

1 An institution may comply with such requests pursuant to section
2 85-1417.

3 (b) ~~On September 15 of each biennial budget request year,~~
4 ~~the boards of governors of the community colleges or their~~
5 ~~designated representatives shall submit to the commission outlines~~
6 ~~of their proposed state aid requests pursuant to sections 85-1536~~
7 ~~and 85-1537.~~

8 (e) The commission shall analyze institutional budget
9 priorities in light of the comprehensive statewide plan, role and
10 mission assignments, and the goal of prevention of unnecessary
11 duplication. The commission shall submit to the Governor and
12 Legislature by October 15 of each year recommendations for approval
13 or modification of each budget request together with a rationale
14 for each such recommendation. The analysis and recommendations by
15 the commission shall focus on budget requests for new and expanded
16 programs and services and major statewide funding issues or
17 initiatives as identified in the comprehensive statewide plan. If
18 an institution does not comply with the commission's request
19 pursuant to subdivision (a) of this subsection for additional
20 budget information, the commission may so note the refusal and its
21 specific information request in its report of budget
22 recommendations. The commission shall also provide to the Governor
23 and the Appropriations Committee of the Legislature on or before
24 October 1 of each even-numbered year a report identifying public
25 policy issues relating to student tuition and fees, including the
26 appropriate relative differentials of tuition and fee levels
27 between the sectors of public postsecondary education in the state
28 consistent with the comprehensive statewide plan.

1 (3) At least thirty days prior to submitting to the
2 Governor their biennial budget requests pursuant to section 81-1113
3 and any major deficit appropriation requests pursuant to
4 instructions of the Department of Administrative Services, the
5 Board of Regents of the University of Nebraska, ~~and~~ the Board of
6 Trustees of the Nebraska State Colleges, and the Board of Governors
7 of each community college area shall each submit to the commission
8 information the commission deems necessary regarding each board's
9 capital construction budget requests. The commission shall review
10 the capital construction budget request information and may
11 recommend to the Governor and the Legislature modification,
12 approval, or disapproval of such requests consistent with the
13 statewide facilities plan and any project approval determined
14 pursuant to subsection (10) of section 85-1414 and to section
15 85-1415. The commission shall develop from a statewide perspective
16 a unified prioritization of individual capital construction budget
17 requests for which it has recommended approval and submit such
18 prioritization to the Governor and the Legislature for their
19 consideration. In establishing its prioritized list, the
20 commission may consider and respond to the priority order
21 established by the Board of Regents or the Board of Trustees in
22 their respective capital construction budget requests.

23 (4) Nothing in this section shall be construed to affect
24 other constitutional, statutory, or administrative requirements for
25 the submission of budget or state aid requests by the governing
26 boards to the Governor and the Legislature.

27 Sec. 13. Section 85-1418, Reissue Revised Statutes of
28 Nebraska, is amended to read:

1 85-1418. (1) No state warrant shall be issued by the
2 Department of Administrative Services or used by any public
3 institution for the purpose of funding any program or capital
4 construction project which has not been approved or which has been
5 disapproved by the commission pursuant to the Coordinating
6 Commission for Postsecondary Education Act. If state funding for
7 any such program or project cannot be or is not divided into
8 warrants separate from other programs or projects, the department
9 shall reduce a warrant to the public institution which includes
10 funding for the program or project by the amount of tax funds
11 designated by the Legislature which are budgeted in that fiscal
12 year by the public institution for use for the program or project.

13 (2) ~~The department may reduce the amount of state aid~~
14 ~~distributed to a community college area pursuant to sections~~
15 ~~85-1536 and 85-1537 by the amount of funds used by the area to~~
16 ~~provide a program or capital construction project which has not~~
17 ~~been approved or which has been disapproved by the commission.~~

18 ~~(3)~~ The district court of Lancaster County shall have
19 jurisdiction to enforce an order or decision of the commission
20 entered pursuant to the Coordinating Commission for Postsecondary
21 Education Act and to enforce this section.

22 ~~(4)~~ (3) Any person or public institution aggrieved by a
23 final order of the commission entered pursuant to section 85-1413,
24 85-1414, 85-1415, or 85-1416 shall be entitled to judicial review
25 of the order. Proceedings for review shall be instituted by filing
26 a petition in the district court of Lancaster County within thirty
27 days after public notice of the final decision by the commission is
28 given. The filing of the petition or the service of summons upon

1 the commission shall not stay enforcement of such order. The
2 review shall be conducted by the court without a jury on the record
3 of the commission. The court shall have jurisdiction to enjoin
4 enforcement of any order of the commission which is (a) in
5 violation of constitutional provisions, (b) in excess of the
6 constitutional or statutory authority of the commission, (c) made
7 upon unlawful procedure, or (d) affected by other error of law.

8 ~~(5)~~ (4) A party may secure a review of any final judgment
9 of the district court by appeal to the Court of Appeals. Such
10 appeal shall be taken in the manner provided by law for appeals in
11 civil cases and shall be heard de novo on the record.

12 Sec. 14. Section 85-1501, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 85-1501. The Legislature hereby declares that for a
15 community college to be truly responsible to the people it serves,
16 primary control of such colleges shall be placed in the citizens
17 within the local area so served subject to coordination by the
18 Coordinating Commission for Postsecondary Education. It is the
19 intent and purpose of sections 85-1501 to ~~85-1540~~ 85-1535 to create
20 locally governed ~~and locally supported~~ community college areas with
21 the major educational emphasis on occupational education. Each
22 community college area is intended to be an independent, local,
23 unique, and vital segment of postsecondary education separate from
24 both the established elementary and secondary school system and
25 from other institutions of postsecondary education and is not to be
26 converted into a four-year, baccalaureate-degree-granting
27 institution.

28 Sec. 15. Section 85-1503, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 85-1503. For purposes of sections 85-1501 to ~~85-1540~~
3 85-1535, unless the context otherwise requires:

4 (1) Community college shall mean an educational
5 institution operating and offering programs pursuant to such
6 sections;

7 (2) Community college area shall mean an area established
8 by section 85-1504;

9 (3) Board shall mean the Community College Board of
10 Governors for each community college area;

11 (4) Full-time equivalent student shall mean, in the
12 aggregate, the equivalent of a registered student who in a
13 twelve-month period is enrolled in (a) thirty semester credit hours
14 or forty-five quarter credit hours of classroom, laboratory,
15 clinical, practicum, or independent study course work or
16 cooperative work experience or (b) nine hundred contact hours of
17 classroom or laboratory course work for which credit hours are not
18 offered or awarded. Avocational and recreational community service
19 programs or courses shall not be included in determining full-time
20 equivalent students or student enrollment;

21 (5) Contact hour shall mean an educational activity
22 consisting of sixty minutes minus break time and required time to
23 change classes;

24 (6) Credit hour shall mean the unit used to ascertain the
25 educational value of course work offered by the institution to
26 students enrolling for such course work, earned by such students
27 upon successful completion of such course work, and for which
28 tuition is charged. A credit hour may be offered and earned in any

1 of several instructional delivery systems, including, but not
2 limited to, classroom hours, laboratory hours, clinical hours,
3 practicum hours, cooperative work experience, and independent
4 study. A credit hour shall consist of a minimum of: (a) Ten
5 quarter or fifteen semester classroom contact hours per term of
6 enrollment; (b) twenty quarter or thirty semester academic transfer
7 and academic support laboratory hours per term of enrollment; (c)
8 thirty quarter or forty-five semester vocational laboratory hours
9 per term of enrollment; (d) thirty quarter or forty-five semester
10 clinical or practicum contact hours per term of enrollment; or (e)
11 forty quarter or sixty semester cooperative work experience contact
12 hours per term of enrollment. An institution may include in a
13 credit hour more classroom, laboratory, clinical, practicum, or
14 cooperative work experience hours than the minimum required in this
15 subdivision. The institution shall publish in its catalog, or
16 otherwise make known to the student in writing prior to the student
17 enrolling or paying tuition for any courses, the number of credit
18 or contact hours offered in each such course. Such published
19 credit or contact hour offerings shall be used to determine whether
20 a student is a full-time equivalent student pursuant to subdivision
21 (4) of this section;

22 (7) Classroom hour shall mean a minimum of fifty minutes
23 of formalized instruction on campus or off campus in which a
24 qualified instructor applying any combination of instructional
25 methods such as lecture, directed discussion, demonstration, or the
26 presentation of audiovisual materials is responsible for providing
27 an educational experience to students;

28 (8) Laboratory hour shall mean a minimum of fifty minutes

1 of educational activity on campus or off campus in which students
2 conduct experiments, perfect skills, or practice procedures under
3 the direction of a qualified instructor;

4 (9) Clinical hour shall mean a minimum of fifty minutes
5 of educational activity on campus or off campus during which the
6 student is assigned practical experience under constant supervision
7 at a health-related agency, receives individual instruction in the
8 performance of a particular function, and is observed and critiqued
9 in the repeat performance of such function. Adjunct professional
10 personnel, who may or may not be paid by the college, may be used
11 for the directed supervision of students and for the delivery of
12 part of the didactic phase of the experience;

13 (10) Practicum hour shall mean a minimum of fifty minutes
14 of educational activity on campus or off campus during which the
15 student is assigned practical experiences, receives individual
16 instruction in the performance of a particular function, and is
17 observed and critiqued by an instructor in the repeat performance
18 of such function. Adjunct professional personnel, who may or may
19 not be paid by the college, may be used for the directed
20 supervision of the students;

21 (11) Cooperative work experience shall mean an internship
22 or on-the-job training, designed to provide specialized skills and
23 educational experiences, which is coordinated, supervised,
24 observed, and evaluated by qualified college staff or faculty and
25 may be completed on campus or off campus, depending on the nature
26 of the arrangement;

27 (12) Independent study shall mean an arrangement between
28 an instructor and student in which the instructor is responsible

1 for assigning work activity or skill objectives to the student,
2 personally providing needed instruction, assessing the student's
3 progress, and assigning a final grade. Credit hours shall be
4 assigned according to the practice of assigning credits in similar
5 courses;

6 (13) Full-time equivalent student enrollment total shall
7 mean the total of full-time equivalent students enrolled in a
8 community college in any fiscal year;

9 (14) General academic transfer course shall mean a course
10 offering in a one-year or two-year degree-credit program, at the
11 associate degree level or below, intended by the offering
12 institution for transfer into a baccalaureate program. The
13 completion of the specified courses in a general academic transfer
14 program may include the award of a formal degree;

15 (15) Applied technology or occupational course shall mean
16 a course offering in an instructional program, at the associate
17 degree level or below, intended to prepare individuals for
18 immediate entry into a specific occupation or career. The primary
19 intent of the institutions offering an applied technology or
20 occupational program shall be that such program is for immediate
21 job entry. The completion of the specified courses in an applied
22 technology or occupational program may include the award of a
23 formal degree, diploma, or certificate;

24 (16) Academic support course shall mean a general
25 education academic course offering which may be necessary to
26 support an applied technology or occupational program;

27 (17) Class 1 course shall mean an applied technology or
28 occupational course offering which requires the use of equipment,

1 facilities, or instructional methods easily adaptable for use in a
2 general academic transfer program classroom or laboratory;

3 (18) Class 2 course shall mean an applied technology or
4 occupational course offering which requires the use of specialized
5 equipment, facilities, or instructional methods not easily
6 adaptable for use in a general academic transfer program classroom
7 or laboratory;

8 (19) Reported aid equivalent student shall mean a
9 full-time equivalent student subject to the following limitations:

10 (a) The number of credit hours which can be counted for
11 each student per semester or quarter shall be limited to eighteen
12 credit hours;

13 (b) For students enrolled for more than eighteen credit
14 hours, credit hours for each course shall be prorated as the
15 eighteen-credit-hour limit is to the student's total credit hours
16 for the semester or quarter;

17 (c) The credit-hour limit for a special instructional
18 term shall be prorated on the same ratio that a fifteen-week term
19 is to eighteen semester credit hours or a ten-week term is to
20 eighteen quarter credit hours; and

21 (d) The number of credit and contact hours which shall be
22 counted by any community college area in which a tribally
23 controlled community college is located shall include credit and
24 contact hours awarded by such tribally controlled community college
25 to students for which such institution received no federal
26 reimbursement pursuant to the Tribally Controlled Community College
27 Assistance Act, Public Law 95-471 as reauthorized by Public Law
28 99-428;

1 (20) Reported aid equivalent total shall mean the total
2 of all reported aid equivalents accumulated in a community college
3 area in any fiscal year;

4 (21) Reimbursable educational unit shall mean a reported
5 aid equivalent student multiplied by (a) for a general academic
6 transfer course or an academic support course, a factor of one, (b)
7 for a Class 1 course, a factor of one and fifty-hundredths, (c) for
8 a Class 2 course, a factor of one and eight-tenths for fiscal year
9 1995-96 and for the three-year averages, a factor of one and
10 nine-tenths for fiscal year 1996-97 and for the three-year
11 averages, and a factor of two for fiscal year 1997-98 and each
12 fiscal year thereafter and for the three-year averages, (d) for a
13 tribally controlled community college general academic transfer
14 course or academic support course, a factor of two, (e) for a
15 tribally controlled community college Class 1 course, a factor of
16 three, and (f) for a tribally controlled community college Class 2
17 course, a factor of three and six-tenths for fiscal year 1995-96
18 and for the three-year averages, a factor of three and eight-tenths
19 for fiscal year 1996-97 and for the three-year averages, and a
20 factor of four for fiscal year 1997-98 and each fiscal year
21 thereafter and for the three-year averages;

22 (22) Reimbursable educational unit total shall mean the
23 total of all reimbursable educational units accumulated in a
24 community college area in any fiscal year;

25 (23) Special instructional term shall mean any term which
26 is less than fifteen weeks for community colleges using semesters
27 or ten weeks for community colleges using quarters;

28 (24) Tribally controlled community college shall mean an

1 educational institution operating and offering programs pursuant to
2 the Tribally Controlled Community College Assistance Act, Public
3 Law 95-471 as reauthorized by Public Law 99-428; and

4 (25) Tribally controlled community college state aid
5 funding amount shall mean the ~~quotient of the amount of state aid~~
6 state funding to be distributed ~~pursuant to sections 85-1536 and~~
7 ~~85-1537 for the current fiscal year~~ to a community college area in
8 which a tribally controlled community college is located. ~~divided~~
9 ~~by the average of the reimbursable educational unit totals for such~~
10 ~~community college area for the immediately preceding three fiscal~~
11 ~~years, with such quotient then multiplied by the average~~
12 ~~reimbursable educational units derived pursuant to subdivision~~
13 ~~(19)(d) of this section for the immediately preceding three fiscal~~
14 ~~years.~~

15 Sec. 16. Section 85-1511, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 85-1511. In addition to any other powers and duties
18 imposed upon the community college system or its areas, campuses,
19 or boards by sections 85-917 to 85-966 and 85-1501 to ~~85-1540~~
20 85-1535 and any other provision of law, each board shall:

21 (1) Have general supervision, control, and operation of
22 each community college within its jurisdiction;

23 (2) Subject to coordination by the Coordinating
24 Commission for Postsecondary Education as prescribed in the
25 Coordinating Commission for Postsecondary Education Act, develop
26 and offer programs of applied technology education, academic
27 transfer programs, academic support courses, and such other
28 programs and courses as the needs of the community college area

1 served may require. The board shall avoid unnecessary duplication
2 of existing programs and courses in meeting the needs of the
3 students and the community college area;

4 (3) Employ, for a period to be fixed by the board,
5 executive officers, members of the faculty, and such other
6 administrative officers and employees as may be necessary or
7 appropriate and fix their salaries and duties;

8 (4) Subject to coordination by the Coordinating
9 Commission for Postsecondary Education as prescribed in the
10 Coordinating Commission for Postsecondary Education Act, construct,
11 lease, purchase, purchase on contract, operate, equip, and maintain
12 facilities;

13 (5) Contract for services connected with the operation of
14 the community college area as needs and interest demand;

15 (6) Cause an examination and comprehensive audit of the
16 books, accounts, records, and affairs, including full-time
17 equivalent student enrollment totals, reported aid equivalent
18 totals, and reimbursable educational unit totals as defined in
19 section 85-1503, to be made annually covering the most recently
20 completed fiscal year. The audit of each area shall include the
21 ~~full-time equivalent student enrollment totals, reported aid~~
22 ~~equivalent totals, and reimbursable educational unit totals for the~~
23 ~~three most recently completed fiscal years which shall be used for~~
24 ~~calculation of aid to the community college areas as prescribed in~~
25 ~~section 85-1536. The audit shall also include the county-certified~~
26 ~~property valuations for the community college area for the three~~
27 ~~most recently completed fiscal years which shall be used for~~
28 ~~calculation of aid to such community college areas. Such~~

1 examination and audit of the books, accounts, records, and affairs
2 shall be completed and filed with the Auditor of Public Accounts
3 and the Department of Administrative Services on or before October
4 15 of each year. The examination and audit of the full-time
5 equivalent student enrollment totals, ~~reported aid equivalent~~
6 ~~totals~~, and reimbursable educational unit totals shall be completed
7 and filed with the Auditor of Public Accounts and the Department of
8 Administrative Services on or before August 15 of each year;

9 (7) Establish fees and charges for the facilities
10 authorized by sections 85-1501 to ~~85-1540~~ 85-1535. Each board may
11 enter into agreements with owners of facilities to be used for
12 housing regarding the management, operation, and government of such
13 facilities and may employ necessary employees to govern, manage,
14 and operate such facilities;

15 (8) Receive such gifts, grants, conveyances, and bequests
16 of real and personal property from public or private sources as may
17 be made from time to time, in trust or otherwise, whenever the
18 terms and conditions thereof will aid in carrying out the community
19 college programs as specified by law. Each board may sell, lease,
20 exchange, invest, or expend such gifts, grants, conveyances, and
21 bequests or the proceeds, rents, profits, and income therefrom
22 according to the terms and conditions thereof and adopt and
23 promulgate rules and regulations governing the receipt and
24 expenditure of such proceeds, rents, profits, and income, except
25 that acceptance of such gifts, grants, or conveyances shall not be
26 conditioned on matching state or local funds;

27 (9) Prescribe the courses of study for any community
28 college under its control and publish such catalogs and bulletins

1 as may be necessary;

2 (10) Grant to every student upon graduation or completion
3 of a course of study a suitable diploma, associate degree, or
4 certificate;

5 (11) Adopt and promulgate such rules and regulations and
6 perform all other acts as the board may deem necessary or
7 appropriate to the administration of the community college area.
8 Such rules and regulations shall include, but not be limited to,
9 rules and regulations relating to facilities, housing,
10 scholarships, discipline, and pedestrian and vehicular traffic on
11 property owned, operated, or maintained by the community college
12 area;

13 (12) Employ, for a period to be fixed by the board, an
14 executive officer for the community college area and, by written
15 order filed in its office, delegate to such executive officer any
16 of the powers and duties vested in or imposed upon it by sections
17 85-1501 to ~~85-1540~~ 85-1535. Such delegated powers and duties may
18 be exercised in the name of the board;

19 (13) Acquire real property by eminent domain pursuant to
20 sections 76-701 to 76-724;

21 (14) Acquire real and personal property and sell, convey,
22 or lease such property whenever the community college area will be
23 benefited thereby. The sale, conveyance, or lease of any real
24 estate owned by a community college area shall be effective only
25 when authorized by an affirmative vote of at least two-thirds of
26 all the members of the board;

27 (15) Enter into agreements for services, facilities, or
28 equipment and for the presentation of courses for students when

1 such agreements are deemed to be in the best interests of the
2 education of the students involved;

3 (16) Transfer tribally controlled community college state
4 ~~aid~~ funding amounts to a tribally controlled community college
5 located within its community college area;

6 (17) Invest, after proper consideration of the
7 requirements for the availability of money, funds of the community
8 college in securities the nature of which individuals of prudence,
9 discretion, and intelligence acquire or retain in dealing with the
10 property of another;

11 (18) Establish tuition rates for courses of instruction
12 offered by each community college within its community college
13 area. Separate tuition rates shall be established for students who
14 are nonresidents of the State of Nebraska; and

15 (19) ~~Establish a fiscal year for the community college~~
16 ~~area which conforms to the fiscal year of the state; and~~

17 ~~(20)~~ Exercise any other powers, duties, and
18 responsibilities necessary to carry out sections 85-1501 to ~~85-1540~~
19 85-1535.

20 Sec. 17. Section 85-1515, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 85-1515. ~~Each board may issue and sell revenue bonds and~~
23 ~~general obligation bonds for the purchase, construction,~~
24 ~~reconstruction, equipping, demolition, or alteration of capital~~
25 ~~assets, including accessibility barrier elimination project costs~~
26 ~~and abatement of environmental hazards as such terms are defined in~~
27 ~~section 79-10,110, and the acquisition of sites, rights-of-way,~~
28 ~~easements, improvements, or appurtenances and other facilities~~

1 ~~connected with the operation of the community colleges.~~ Each board
2 may establish in its budget a capital improvement and bond sinking
3 fund. Such fund shall be used (1) first for the retirement of
4 bonds assumed by the board in accordance with the provisions of
5 such bonds, (2) then for (a) renewal work and deferred maintenance
6 as defined in section 81-173, (b) handicapped access and life
7 safety improvements made to existing structures or grounds
8 including accessibility barrier elimination project costs and
9 abatement of environmental hazards as such terms are defined in
10 section 79-10,110, and (c) projects designed to prevent or correct
11 a waste of energy, including measures taken to utilize alternate
12 energy sources, all in accordance with the capital facilities plan
13 of the community college area, (3) then for the retirement of bonds
14 issued pursuant to this section, and (4) then for the purchasing,
15 purchasing on contract, constructing, and improving of facilities
16 necessary to carry out sections 85-1501 to ~~85-1540~~ 85-1535.
17 Revenue bonds issued shall be subject to sections 85-1520 to
18 85-1527. ~~No general obligation bonds shall be issued without the~~
19 ~~approval by a majority vote of the qualified electors of the~~
20 ~~community college area voting in an election called for such~~
21 ~~purpose pursuant to section 85-1518.~~ No bonds issued under
22 sections 85-1501 to ~~85-1540~~ 85-1535 shall be an obligation of the
23 State of Nebraska, and no state tax shall be levied to raise funds
24 for the payment thereof or interest thereon.

25 Sec. 18. Section 85-1517, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 85-1517. ~~(1) The board may certify to the county board~~
28 ~~of equalization of each county within the community college area a~~

1 tax levy not to exceed seven cents for fiscal year 1998-99 and
2 fiscal year 1999-00 and six cents for fiscal year 2000-01 and all
3 subsequent fiscal years, on each one hundred dollars on the taxable
4 valuation of all property subject to the levy within the community
5 college area, uniform throughout such area, for the purpose of
6 supporting operating expenditures of the community college area.

7 (2)(a) In addition to the levy provided in subsection (1)
8 of this section, the The board may certify to the county board of
9 equalization of each county within the community college area a tax
10 levy of not to exceed one cent on each one hundred dollars on the
11 taxable valuation of all property within the community college
12 area, uniform throughout such area, for the purpose of establishing
13 a capital improvement fund and bond sinking fund as provided in
14 section 85-1515.

15 (b) In addition to the levy provided in subdivision (a)
16 of this subsection, the board may also certify to the county board
17 of equalization of each county within the community college area a
18 tax levy on each one hundred dollars on the taxable valuation of
19 all property within the community college area, uniform throughout
20 such area, in the amount which will produce funds only in the
21 amount necessary to pay for funding accessibility barrier
22 elimination project costs and abatement of environmental hazards as
23 such terms are defined in section 79-10,110. Such tax levy shall
24 not be so certified unless approved by an affirmative vote of a
25 majority of the board taken at a public meeting of the board
26 following notice and a hearing. The board shall give at least
27 seven days' notice of such public hearing and shall publish such
28 notice once in a newspaper of general circulation in the area to be

1 ~~affected by the increase.~~

2 ~~(3)~~ The levy provided by ~~subdivision (2)(a)~~ of this
3 section may be exceeded by that amount necessary to retire the
4 general obligation bonds assumed by the community college area or
5 issued pursuant to section 85-1515 according to the terms of such
6 bonds or for any obligation pursuant to section 85-1535 entered
7 into prior to January 1, 1997.

8 ~~(4)~~ Such tax shall be levied and assessed in the same
9 manner as other property taxes and entered on the books of the
10 county treasurer. The proceeds of such tax, as collected, shall be
11 remitted to the treasurer of the board not less frequently than
12 once each month.

13 Sec. 19. Section 85-1521, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 85-1521. Each board may, by resolution or agreement,
16 pledge all or any part of the revenue and fees derived from the
17 operation of the dormitories, residence halls, single-dwelling
18 units, multiple-dwelling units, buildings, and other facilities for
19 housing, boarding, medical care, and other activities of students,
20 faculty, or employees of the institution under its control erected
21 or acquired or previously erected or acquired by any such board and
22 contract as to the care, insurance, management, and operation of
23 such buildings and facilities and the charges to be made and the
24 rights of the holders of the revenue bonds. When any board
25 contracts that the operation of any building or facility or part
26 thereof shall be performed other than by the board itself, such
27 board shall at all times maintain supervision of and control over
28 the fees and charges imposed for the use of such building,

1 facility, or part. In issuing revenue bonds and pledging revenue
2 therefor, the board may pledge all or any part of the revenue and
3 fees from buildings and facilities other than the building or
4 facility to be constructed. Bonds issued under sections 85-1520 to
5 85-1527 shall not be an obligation of the State of Nebraska, and no
6 tax shall ever be levied to raise funds for the payment thereof or
7 interest thereon. The bonds shall constitute limited obligations
8 of the board issuing the same and shall be paid solely out of money
9 derived from the revenue and earnings pledged as provided in
10 sections 85-1501 to ~~85-1540~~ 85-1535.

11 Sec. 20. Section 85-1535, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 85-1535. A board of a community college area with a
14 population of less than one hundred thousand according to the last
15 federal decennial census and a campus located on a former military
16 base may enter into contracts with any person, firm, or corporation
17 providing for the implementation of any project for the
18 constructing and improving of facilities to house applied
19 technology educational programs necessary to carry out sections
20 85-1501 to ~~85-1540~~ 85-1535 and providing for the long-term payment
21 of the cost of such project.

22 In no case shall any such contract run for a period
23 longer than twenty years or shall the aggregate of existing
24 contracts exceed four million five hundred thousand dollars for
25 each area exclusive of administrative costs, credit enhancement
26 costs, financing costs, capitalized interest, and reserves
27 dedicated to secure payment of contracts.

28 No contract shall be entered into pursuant to this

1 section without prior approval by a resolution of the board and the
2 approval of the Coordinating Commission for Postsecondary
3 Education.

4 The long-term payment of the cost of such project shall
5 be paid from revenue to be raised pursuant to ~~subdivision (2)(a) of~~
6 section 85-1517. Any board entering into such contract for the
7 construction and improvement of facilities from revenue to be
8 raised pursuant to such subdivision shall make annual
9 appropriations for amounts sufficient to pay annual obligations
10 under such contract for the duration of such contract.

11 The board may also convey or lease and lease back all or
12 any part of the project and the land on which such project is
13 situated to such person, firm, or corporation as the board may
14 contract with pursuant to this section to facilitate the long-term
15 payment of the cost of such project. Any such conveyance or lease
16 shall provide that when the cost of such project has been paid,
17 together with interest and other costs thereon, such project and
18 the land on which such project is located shall become the property
19 of the community college area.

20 Sec. 21. This act becomes operative on July 1, 2001.

21 Sec. 22. Original sections 13-502, 13-1612, 81-1113,
22 81-1118.02, 81-1201.21, 84-612, 85-121.03, 85-1416, 85-1418,
23 85-1501, 85-1503, 85-1511, 85-1515, 85-1517, 85-1521, and 85-1535,
24 Reissue Revised Statutes of Nebraska, section 77-3445, Revised
25 Statutes Supplement, 1998, and sections 13-518, 48-621, and
26 77-3442, Revised Statutes Supplement, 1999, are repealed.

27 Sec. 23. The following sections are outright repealed:
28 Sections 85-1516 and 85-1536 to 85-1540, Reissue Revised Statutes

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1 of Nebraska.